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In the
SUPREME COURT OF THE UNITED STATES

October Term, 1944

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No. 1067
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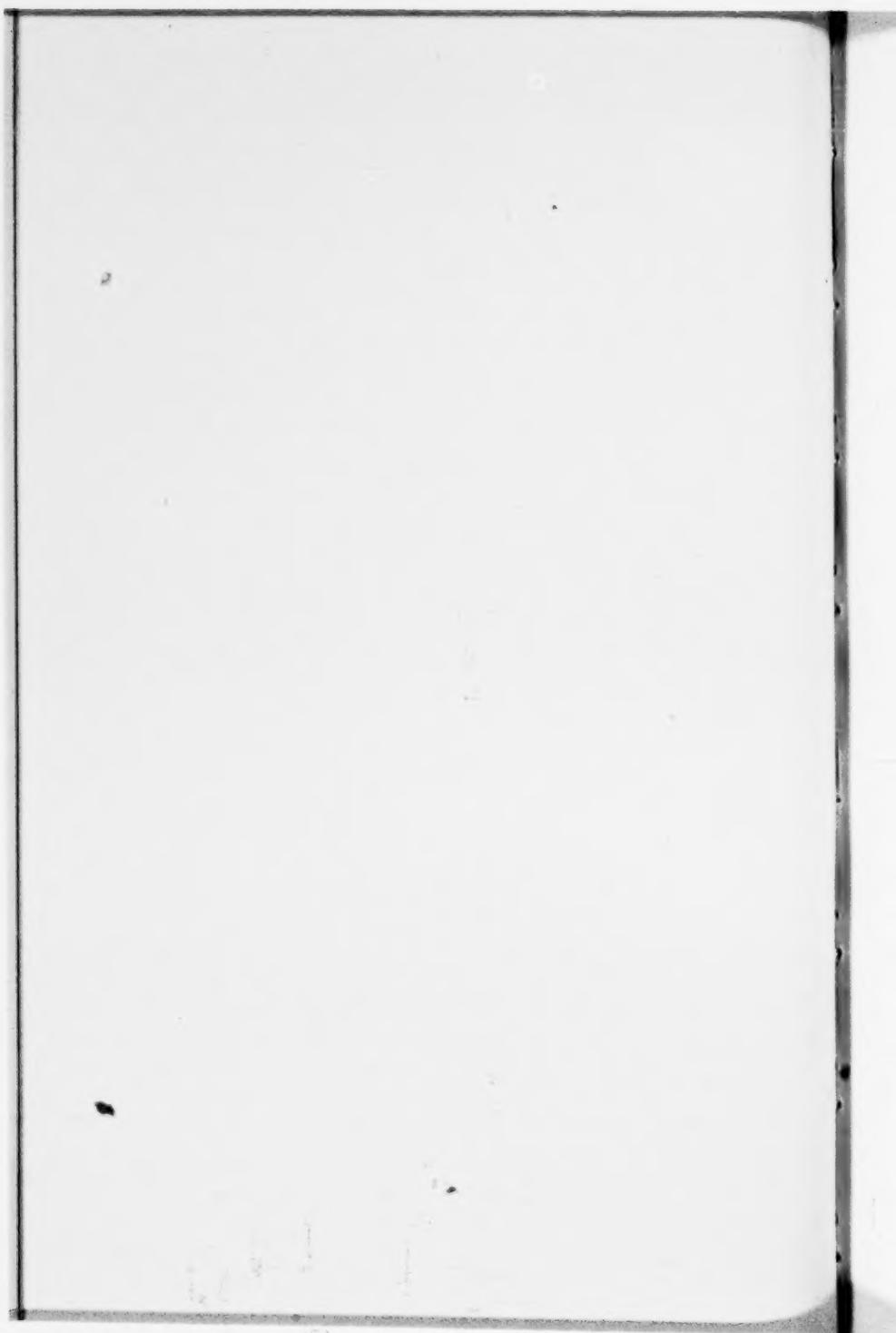
HORNI SIGNAL MANUFACTURING COMPANY,
Petitioner.
vs.
DAVID KATZ,
Respondent

—
**BRIEF IN OPPOSITION TO PETITION FOR WRIT OF
CERTIORARI TO THE UNITED STATES
CIRCUIT COURT OF APPEALS FOR
THE SECOND CIRCUIT**

—
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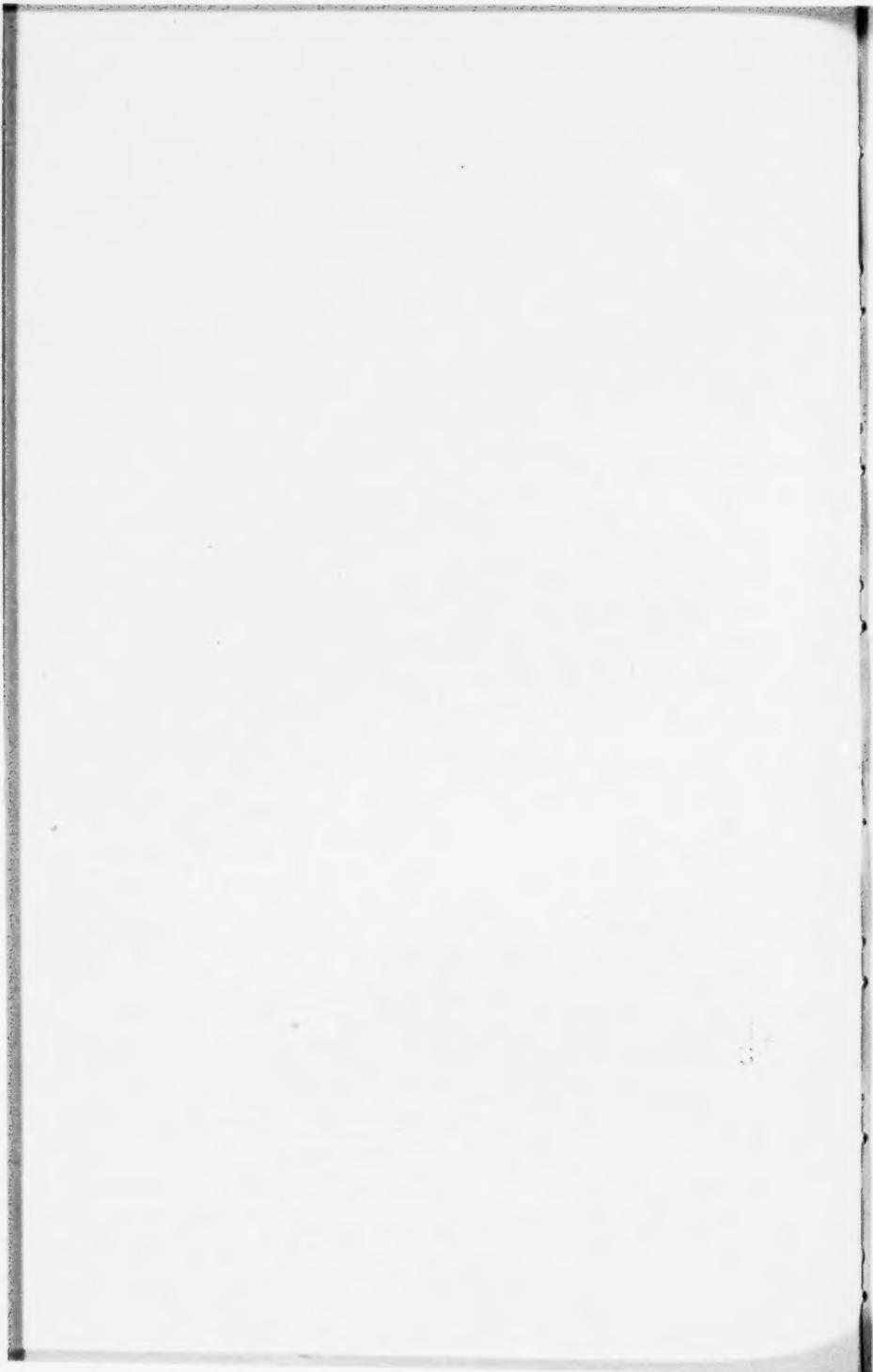
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882 Bankers Sec. Bldg.—Pennypacker 7124-6.



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vs.

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**BRIEF IN OPPOSITION TO PETITION FOR WRIT OF
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CIRCUIT COURT OF APPEALS FOR
THE SECOND CIRCUIT**

*To The Honorable Chief Justice And Associate Justices of
the Supreme Court:*

Your Respondent, David Katz, respectfully prays that the petition for writ of certiorari be denied.

This is an ordinary patent case involving no important or novel question of law. There is admittedly no conflict of decisions between Circuits Courts of Appeal, and there are no circumstances peculiarly affecting the public interest.

Petitioner is apparently seeking to create the impression that there is a conflict of decisions. On page 7 of the petition, it is stated that there is a direct conflict between the holding that the patent in suit is valid and the doctrine that the exercise of inventive genius is necessary to support the grant of a patent.

This statement will not bear scrutiny. It is unmistakably clear from the record that the device of the patent involved the exercise of inventive genius, and both the District and Circuit Courts so held (R. 204).

Petitioner is also apparently seeking to create the impression that the Circuit Court of Appeals has overturned well-settled legal principles.

On page 6 of the petition, it is stated that the Circuit Court failed to comply with the provisions of Rule 52 (a) of the Rules of Civil Procedure. Petitioner has reference to the following language of the rule:

" * * * Findings of fact shall not be set aside unless clearly erroneous * * *

The District Judge held that the device of the patent involved the exercise of inventive genius, and that it was a primary invention without any prior art to limit the scope of the patent (R. 168, fol. 504). The Circuit Court sustained these findings, *because they were clearly correct* (R. 204).

The District Court held the claims in suit not infringed. The Circuit Court reversed this finding, *because it was clearly erroneous and inconsistent with the holding that the invention was a primary one without any prior art to restrict the scope of the patent.*

It follows that Petitioner's contention that the Circuit Court failed to comply with Rule 52 (a) is untenable.

On page 7 of the petition, it is stated that the Circuit Court failed to apply the well-established doctrine that claims of a patent must be interpreted in the light of the specification. Petitioner further states that the Circuit Court incorrectly applied the doctrine of *Diamond Rubber Tire Co. v. Consolidated Tire Co.*, 220 U. S. 428 (1911).

Even a cursory reading of the opinion clearly indicates that these contentions are untenable.

It is important to note that the decision of the Circuit Court holding the patent valid and infringed was by a *unanimous* Court, and that the opinion was written by Judge Frank, whose strict views on the subject of patent validity and infringement have found expression in many decisions of the Second Circuit.

It may be noted in passing that Petitioner's arguments in support of its contentions are largely those which were presented first to the District Court and then to the Circuit Court of Appeals. Petitioner admittedly had ample opportunity to present his case in the District Court and in the Circuit Court of Appeals. As was held in *Magnum Import Co. v. Coly*, 262 U. S. 159, 163 (1923), this Court's jurisdiction was not conferred merely to give the defeated party in the Circuit Court another hearing.

Realizing that it has no case for certiorari, Petitioner seeks to build a case by making the *unverified and unsupported* statement that Petitioner and Respondent's licensee are the only manufacturers of vehicle-actuated traffic signals in this country.

Since this statement is unverified and has no support in the record, it requires no answer. However, Respondent takes this opportunity to state that there are a number of manufacturers and distributors of traffic signals of various types in the United States in addition to Petitioner and Respondent's licensee, the Automatic Signal Corporation.

Hayes Electric Mfg. Co. of Lansing, Michigan, and Pioneer Sales Corp. of Detroit, Michigan (Sixth Circuit) have manufactured and distributed vehicle-actuated traffic signals, *which are of substantially the same construction as the devices made by Petitioner.*

The Eagle Signal Corporation of Moline, Illinois (Seventh Circuit) is distributing vehicle-actuated traffic signals as a sub-licensee of the Automatic Signal Corporation.

The Gamewell Company, which is incorporated in Massachusetts (First Circuit), manufactures and distributes signalling devices of various kinds. It owns Durbin Patent No. 2,051,369 for a vehicle-actuated traffic signalling system.

The General Electric Co. and Crouse-Hinds Co. have main offices in the Second Circuit, but do business in traffic signals throughout this country. The General Electric Co. owns Peterson Patent No. 1,965,430 for a vehicle actuated traffic signal.

The Westinghouse Electric & Mfg. Co., which is incorporated under the laws of Pennsylvania (Third Circuit), manufactures and distributes traffic signalling devices throughout the United States.

The Signal Service Corp. of Elizabeth, New Jersey (Third Circuit) is another company in the traffic signalling system business.

On page 20 of its brief, Petitioner alleges that the patent in suit involves a matter of public concern, because traffic signals are bought by governmental agencies, and hence every member of the community pays his proportionate share of the royalty through taxation.

It is certainly stretching the imagination to the breaking point to argue that a patent involves a question of public interest, merely because the device may sometimes be purchased by or on behalf of a governmental agency. Most patented articles are purchased directly by the public, and the purchase price, a substantial part of which is the royalty, comes directly out of the pocket of the purchaser. In the case of articles purchased by or on behalf of the government, the purchase price comes only indirectly from the members of the public, and each member's proportionate share of the royalty is so small as to be negligible.

Furthermore, both Petitioner and others are manufacturing other types of vehicle-actuated traffic signalling devices, and the public has a right to use these other types without paying any royalty at all to the patentee. As an example of a type of device, which may be used by the public without the payment of royalty, may be mentioned the vehicle-actuated signal which was involved in *Engineering & Research Corp. v. Horni Signal Corp.*, 90 F. (2nd) 682; 39 U. S. P. Q. 1 (C. C. A. 2, 1938).

In any event, certiorari has been denied in a number of cases in which the public interest was far greater than in the case at bar. See, for instance, *Milwaukee v. Activated Sludge, Inc.*, 293 U. S. 576 (1935).

We respectfully submit that Petitioner has failed to make out a case warranting the grant of the writ of certiorari. Furthermore, we respectfully submit that the petition should

be denied for the additional reason that the brief violates Rule 38 of this Court, requiring that the brief be direct and concise. The greater part of the brief, instead of being directed to the merits of the petition, constitutes a reargument of the issues of validity and infringement. Such matter is clearly improper in a petition.

Cases in point are:

Tiger v. Lozier, 275 U. S. 496 (1927)

Brown v. Kriettmeyer, 275 U. S. 496 (1927)

Kunglig Jarnvagsstyrelsen v. National City Bank,
275 U. S. 497 (1927)

Humble Oil & Refining Co. v. Campbell, 292 U. S.
648 (1934).

Respectfully submitted,

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FILED

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Respondent.

PETITIONER'S REPLY BRIEF

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PETITIONER'S REPLY BRIEF

There is only one point raised in respondent's brief to which we wish to reply, that is, the discussion of the third reason relied upon for the granting of the writ (Respondent's brief, p. 4).

The third reason for the granting of the writ is that petitioner and respondent are the only manufacturers of *vehicle actuated traffic signals* and that litigation involving the patent in any other circuit is therefore improbable. On page 4 of respondent's brief reference is made to eight companies in the traffic signalling business but it is only asserted that three of these companies manufacture or distribute *vehicle actuated traffic signals*. The business of the Gamewell Company, the General Electric Company, the Crouse-Hinds Co., the Westinghouse Electric & Manufacturing Company and the Signal Service Corporation in traffic signals is entirely irrelevant.

Of the three companies asserted to manufacture or distribute *vehicle actuated traffic signals* the Eagle Signal

Corporation is, as stated by respondent, a sub-licensee of Automatic Signal Corporation, the licensee of respondent (R. 142) and obviously its location in the Seventh Circuit would not be apt to produce further litigation.

Of the other two companies mentioned, the Pioneer Sales Corporation was a selling agent for Hayes Electric Manufacturing Company and we are informed by Mr. Hayes of the latter company that Pioneer Sales Corporation has been out of business since 1940.

At the time the petition was filed, petitioner believed that Hayes Electric Manufacturing Company was no longer in the traffic signal business. It was never an important factor in this business as it never manufactured complete *vehicle actuated traffic signals* but has merely made a detector and an adapter to be attached to prefixed time traffic signals to convert them to *vehicle actuated traffic signals*. In a few isolated instances petitioner has met competition from this company on proposed installations. Such instances have been many years ago and petitioner felt certain the statement that it and respondent's licensee were the only manufacturers of *vehicle actuated traffic signals* was a true statement.

Petitioner's attorney talked to Mr. Hayes, the President of this company, by telephone since the receipt of respondent's brief and verified that the Hayes Company manufactures only a detector and adapter. He was also advised by Mr. Hayes that the device made by his company is substantially in accordance with the disclosure of United States Letters patent 2,171,124. The device disclosed in that patent is quite different from the device made by petitioner, contrary to the statement appearing on page 4 of respondent's brief.

Therefore even though it might technically be said that Hayes Electric Manufacturing Company distributes or installs *vehicle actuated traffic signals*, its position in the

industry is such that we believe the improbability of litigation involving the patent in any other circuit is just as great as if this company did not exist and that the third reason relied upon for granting the writ is a good and valid reason.

Respectfully submitted,

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New York, N. Y.,
April 19, 1945.